

Internal Revenue Service

Department of the Treasury
Washington, DC 20224

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Person To Contact:
, ID No.

Telephone Number:

Refer Reply To:
CC:CORP:BR5
PLR-151559-12

Date:
December 17, 2012

Dear :

This is in response to your letter dated November 19, 2012, submitted by your authorized representatives, requesting that we supplement our letter ruling dated August 14, 2012 (PLR-109810-12) ("Prior Letter Ruling"). The information submitted for consideration in that letter is summarized below. Capitalized terms not defined in this letter have the meanings originally assigned to them in the Prior Letter Ruling.

The rulings contained in this letter are based upon information and representations submitted by the taxpayer and accompanied by a penalties of perjury statement executed by an appropriate party. While this office has not verified any of the material submitted in support of the request for rulings, it is subject to verification on examination. In particular, this office has not reviewed any information pertaining to and has made no determination regarding whether the transactions described below: (i) satisfy the business purpose requirement of § 1.355-2(b) of the Income Tax Regulations; (ii) are used principally as a device for the distribution of the earnings and profits of any distributing corporation or any controlled corporation or both (see Section 355(a)(1)(B) of the Internal Revenue Code and Treas. Reg. § 1.355-2(d)); and (iii) are part of a plan (or series of related transactions) pursuant to which one or more persons will acquire directly or indirectly stock representing a 50-percent or greater interest in any distributing corporation or any controlled corporation (see Section 355(e)(2)(A)(ii) and Treas. Reg. § 1.355-7).

The Prior Letter Ruling addresses certain federal income tax consequences of the Proposed Transactions under sections 355, 368 and certain other relevant provisions of the Internal Revenue Code. Except as modified below, the representations and material facts set forth in the Prior Letter Ruling remain in effect for purposes of this supplemental letter ruling.

Supplemental Facts

The material facts as described in the Prior Letter Ruling are unchanged, except as stated below.

- (i) The Country I Redemptions, step (iii) in the Prior Letter Ruling, will not occur.
- (ii) Distributing 5's separation of its Business 2 assets from its other operations in Country H, the Country H Restructuring, steps (vi)–(xii) in the Prior Letter Ruling, will not qualify as a reorganization within the meaning of Section 368(a)(1)(D) or a distribution under Section 355.
- (iii) Certain Country A legal considerations may prevent step (xiv) in the Prior Letter Ruling from being treated as a non-taxable transaction for federal income tax purposes.
- (iv) Newco 7 will not file an entity classification election to be classified as a corporation for federal income tax purposes, step (xxviii) in the Prior Letter Ruling.
- (v) Distributing 2 has contributed to the capital of FSub 17 during the five-year period preceding the FSub 17 Distribution, step (xxxiv) in the Prior Letter Ruling.

In light of the change in facts, Distributing 5 withdraws its requested rulings with respect to the earnings and profits consequences of the Country I Restructuring, Country H Restructuring, the Country B Restructuring transactions (Rulings 1-2 and 5-8 in the Prior Letter Ruling).

Representations

The change in facts described above has rendered certain representations made in the Prior Letter Ruling unnecessary. Distributing 5, therefore, withdraws the following representations and otherwise reaffirms each representation made in the Prior Letter Ruling:

- (1a) The Country I Contribution qualifies as a reorganization within the meaning of Section 368(a)(1)(D). The Country I Distribution qualifies as a distribution under Section 355.
- (1c) The Country H Contribution qualifies as a reorganization within the meaning of Section 368(a)(1)(D). The Country H Distribution qualifies as a distribution under Section 355.

- (1d) The Country B Contribution qualifies as a reorganization within the meaning of Section 368(a)(1)(D). The Country B Distribution qualifies as a distribution under Section 355.

Rulings

Based solely on the information and representations submitted, we rule as follows:

The Supplemental Facts submitted will not adversely affect the Prior Letter Ruling, which as modified hereby, remains in full force and effect.

Caveats

Except as expressly provided herein, no opinion is expressed or implied concerning the tax consequences of any aspect of any transaction or item discussed or referenced in this letter. In particular, no opinion is expressed regarding: (i) whether the proposed transaction satisfies the business purpose requirement of Treas. Reg. § 1.335-2(b); (ii) whether the proposed transaction is used principally as a device for the distribution of the earnings and profits of the distributing corporation or the controlled corporation or both (see Section 355(a)(1)(B) and Treas. Reg. § 1.355-2(d)); or (iii) whether the proposed transaction is part of a plan (or series of related transactions) pursuant to which one or more persons will acquire directly or indirectly stock representing a 50-percent or greater interest in the distributing corporation or the controlled corporation (see Section 355(e)(2)(A)(ii) and Treas. Reg. § 1.355-7).

Procedural Statements

This ruling is directed only to the taxpayer requesting it. Section 6110(k)(3) of the Code provides that it may not be used or cited as precedent.

In accordance with the Power of Attorney on file with this office, a copy of this letter is being sent to your authorized representative.

A copy of this letter must be attached to any income tax return to which it is relevant. Alternatively, taxpayers filing their returns electronically may satisfy this requirement by attaching a statement to their return that provides the date and control number of the letter ruling.

Sincerely,

Isaac W. Zimbalist

Isaac W. Zimbalist
Senior Technician Reviewer, Branch 5
Associate Chief Counsel (Corporate)